



Board Report

File #: 2022-0145, **File Type:** Informational Report

Agenda Number: 23.

CONSTRUCTION COMMITTEE April 21, 2022

SUBJECT: OFFICE OF THE INSPECTOR GENERAL CHANGE ORDER CONSTRUCTION SPOT CHECKS

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General Change Order Construction Spot Check Report for the period December 1, 2021, to February 28, 2022.

ISSUE

On January 25, 2018, the Metro Board directed the Office of the Inspector General (“OIG”) to conduct random spot checks on change orders for the projects listed in the quarterly program management report to ensure that the CEO Delegation of Authority to approve Construction Change Orders Policy is performing in the manner desired by the Board of Directors.

BACKGROUND

The OIG’s Construction Change Order Spot Check Program (“Spot Checks”) focuses on approved change orders and modifications that exceed \$1,000,000. The four change orders in this report were selected from the Program Management Major Project Status Report (Legistar file # 2022-0159) covering December 1, 2021, to February 28, 2022. The information for the Spot Checks was collected from the Program Management Information System (PMIS) which is the department’s database system. Also, TEAM meetings and telephonic interviews were conducted with Metro Program Management, Project Control, and Procurement staff from each involved project office.

We found that all four change orders in this report were:

- Negotiated and executed more expeditiously than would have occurred according to the former Board approval process,
- Approved faster with the new delegation of authority, and
- Negotiated at a lower cost than the contractors’ proposed price.

Each Spot Check summarizes the following areas:

- Description of the change order,
- Change order detail,

- Scope of Work,
- Budget,
- Schedule: Time to execute the change order,
- Safety, and
- Recommendations, if any.

Metro's Program Control department has provided informal responses to this report before its issuance and will provide written responses to the recommendations in this OIG Spot Checks Report within 30 days after this Report is issued. Included with this Report is a spreadsheet on the status of responses concerning former OIG Spot Check Report recommendations.

DISCUSSION

Spot Checks Performed in this Quarter

Spot Check #1 - Crenshaw/LAX Transit Project

This OIG Spot Check report concerns the Crenshaw/LAX Transit Corridor Project (Contract C0988 MOD-00551), Landscape Changes, Park Mesa.

Change Order Detail

See Attachment A Spot Check #1 chart.

Summary #1

Scope of Work - This change order involves added work for the curb and gutter in the median along Crenshaw Blvd from 60th street to Vernon Avenue in the Park Mesa area. Additionally, the medians will be landscaped with shrub and ground cover and irrigation will be added for watering purposes from 60th street to 48th street. The work in the median is out of the original scope of work because of new requirements set by the City of Los Angeles requires Metro to create a landscape median adjacent to the trackway.

Budget - These modifications were negotiated, and the award amount is \$3,636,214. The Contractor's proposal was \$5,711,786 and the ICE was \$3,674,989. The award amount was \$2,075,572 (36%) under the contractor's proposal. The negotiated amount was \$-38,775 (-1.1%) under the ICE. Staff stated that funds for this change are within the approved Life-of-Project budget.

Schedule - The new delegation process was utilized for this modification. The Contractor and Metro agreed on the scope of work on February 2, 2022. The modification including the price, was awarded on March 4, 2022, and was completed in 23 workdays. Under the prior Board approval method for change orders, assuming a May Board meeting date, it would have taken a total of 37 workdays to complete the work.

Safety - The Crenshaw Project has 11,340,642.50 project hours through January 2022 with a Recordable Injury Rate of 1.8 (per the Bureau of Labor Statistics the National Average is 2.4) and a Days Away Rate (DART) of 0.14 (per the Bureau of Labor Statistics National Average is 1.5).

Recommendation - none

Spot Check #2 - Regional Connector - Transit Corridor Project

This OIG Spot Check report concerns the Regional Connector - Transit Corridor Project (Contract C0980 MOD-00230): Alameda Emergency Stair Exit (ES2)

Change Order Detail

See Attachment A Spot Check #2 chart.

Summary #2

Scope of Work - This Change Order is to install an additional Emergency Exit Stairway (ES2) on Alameda Street to access the underground rail and guideway between 1st Street and Temple Street. With the addition of the Alameda fan plant, Metro Engineering and Metro Safety determined it was necessary to add a second egress for emergency situations for compliance with the Metro Rail Design Criteria and applicable building fire codes. The distance between the emergency stairs at the new fan plant and the subsequent station was too far a distance which necessitated another emergency exit stairwell.

Budget - These modifications were negotiated, and the award amount is \$2,199,000. The Contractor's proposal was \$2,818,207 and the ICE was \$2,147,299. The award amount was \$619,207 (22%) under the contractor's proposal. The negotiated amount was \$51,701 (2.4%) over the ICE. Staff stated that funds for this change are within the approved Life-of-Project budget.

Schedule - The new delegation process was utilized for this modification. The Contractor and Metro agreed on the scope of work on December 23, 2021. The modification including the price, was awarded on February 17, 2022, and was completed in 37 workdays. Under the prior Board approval method for change orders, assuming a March Board meeting date, it would have taken a total of 61 workdays to complete the work.

Safety - Regional Connector Project has 6,970,583 project hours through January 2022 with a Recordable Injury Rate of 0.72 (per the Bureau of Labor Statistics the National Average is 2.4) and a Days Away Rate (DART) of 0.0 (per the Bureau of Labor Statistics National Average is 1.5).

Recommendation - The OIG recommends in-house plan review be as fully completed as possible before Metro groups sign off on the design plans.

Spot Check #3 - Purple Line Extension Section 1 Transit Project

This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045 MOD-00144), Construction La Cienega Station During Mining.

Change Order Detail

See Attachment A Spot Check #3 chart.

Summary #3

Scope of Work - This change order covered the re-sequencing of the construction processes of the La Cienega station. The construction of the station would have been on hold until the tunnel boring machines (TBMs) finished mining the tunnels into the station as planned in the contract. At the time an unknown metal structure (anomaly) was detected below the surface at the intersection of Wilshire and San Vicente. The contractor chose to fortify the underground pipes and surrounding soil by

potholing and chemically grouting to strengthen the area for the TBMs to proceed. Both TBMs were idle for some months awaiting a decision about the anomaly. By delaying the TBMs the project was estimated to be behind schedule more than a full year. With re-sequencing the construction, a temporary floor 22 feet higher than the original invert elevation was erected so the stations upper walls, upper concourse, and ceiling was allowed to advance to completion. The TBMs, after clearing the anomaly, successfully made it into the La Cienega station under the 22-foot-high upper floors to complete their journey.

Budget - These modifications were negotiated, and the award amount is \$15,879,565. The Contractor's proposal was \$22,704,930 and the ICE was \$14,059,279. The award amount was \$6,825,365 (30%) under the contractor's proposal. The negotiated amount was \$1,820,286 (13%) over the ICE. Staff stated that funds for this change are within the approved Life-of-Project budget.

Schedule - The new delegation process was utilized for this modification. The Contractor and Metro agreed on the scope of work on October 15, 2021. The modification including the price, was awarded on December 22, 2021, and was completed in 47 workdays. Under the prior Board approval method for change orders, assuming a January Board meeting date, it would have taken a total of 70 workdays to complete the work.

Safety - Purple Line Ext. 1 Project has 6,740,817.47 project hours through January 2022 with a Recordable Injury Rate of 1.18 (the Bureau of Labor Statistics reports the National Average is 2.4) and DART of 0.089 (the Bureau of Labor Statistics reports the National Average is 1.5).

Recommendation - none.

Spot Check #4 - Purple Line Extension Section 1 Transit Project

This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045 MOD-00147), Vapor Extraction Street Restoration.

Change Order Detail

See Attachment A Spot Check #4 chart.

Summary #4

Scope of Work - This change order is to perform street rehabilitation with asphalt replacement, median restoration, and restriping of the travel lanes along Wilshire Blvd and Crescent Heights area. Vapor extraction was to remove the methane and hydrogen sulfide gasses prior to the TBMs tunneling through the high gas level zone for safety. The installation of numerous vapor extraction wells were drilled into Wilshire Boulevard for safer release of the gasses. Now that the TBMs have completed their journey, the capped wells will remain in place, the well holes will be covered, and the street will be restored to city standards.

Budget - These modifications were negotiated, and the award amount is \$1,087,452. The Contractor's proposal was \$1,253,078 and the ICE was \$823,462. The award amount was \$165,626 (13%) under the contractor's proposal. The negotiated amount was \$263,990 (32%) over the ICE. Staff stated that funds for this change are within the approved Life-of-Project budget.

Schedule - The new delegation process was utilized for this modification. The Contractor and Metro agreed on the scope of work on December 7, 2021. The modification including the price, was

awarded on February 1, 2022, and was completed in 38 workdays. Under the prior Board approval method for change orders, assuming a May Board meeting date, it would have taken a total of 75 workdays to complete the work.

Safety - Purple Line Ext. 1 Project has 6,740,817.47 project hours through January 2022 with a Recordable Injury Rate of 1.18 (the Bureau of Labor Statistics reports the National Average is 2.4) and DART of 0.089 (the Bureau of Labor Statistics reports the National Average is 1.5).

Recommendation - none.

FINANCIAL IMPACT

This report will have no financial impact on the agency.

Impact to Budget

- For all of the construction change orders reviewed, Metro states the funds are within the approved budget and will utilize the contingency funds to cover the costs from the LOP budget.
- Spot Check #1) \$3,636,214 Crenshaw/LAX Transit Corridor Project
- Spot Check #2) \$2,199,000 Regional Connector Transit Corridor Project
- Spot Check #3) \$15,879,565 Purple Line Extension Section 1 Project
- Spot Check #4) \$1,087,452 Purple Line Extension Section 1 Project

EQUITY PLATFORM

In the opinion of the OIG, we considered whether these change orders presented any equity related issues on their face. Three of the locations: Alameda and 1st Street, Crenshaw Blvd. and Wilshire Blvd., are within or adjacent to Equity Focus Communities (EFC's). Regional Connector and Purple Line Ext. 1 construction projects is required to install tall (over 20-ft high) sound walls around the construction worksites to protect residential communities and office suites from the nuisance of construction noise. The exterior public side of the temporary construction site walls also serves as community advertisement space for local businesses and keeps the public safe as a barrier from the construction activities.

The OIG did not receive any data concerning other community impacts. Each of the contractors are striving to have work performed by Disadvantage Business Enterprises (DBE) typically at 12-15% implementation, for these change orders at these EFC sites. The OIG observed no obvious disparate impacts created by these change orders on small businesses, low-income persons, or by the performance of the work in a manner that impacted a disadvantaged community beyond what is typical and usual when conducting any construction.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Office of Inspector General reviews large change orders over the quarter and makes recommendations as appropriate to support Metro's Strategic Plan Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization and CEO goals to exercise fiscal discipline to ensure financial stability. The OIG mission includes reviewing expenditures for

fraud, waste, and abuse in Metro programs, operations, and resources. For each selected change order reviewed, the OIG evaluates whether there are red flags of fraud, waste, or abuse taking place. We report the details of the significant change orders and make recommendations consistent with the OIG's Construction Best Practices report dated February 29, 2016, more particularly focusing on lessons learned, improving efficiencies, and prudent spending.

NEXT STEPS

The OIG shall provide every quarter, an ongoing spreadsheet of recommendations to Program Control. Program Control and Program Management agrees to respond to the recommendations of the OIG within 30 days. The OIG continues to meet periodically to discuss reports, recommendations, and the status of implementation of the recommendations with Project Management, and receive updates. The list of OIG recommendations and Metro management responses is an attachment to this OIG report (Attachment B).

ATTACHMENTS

Attachment A - Change Order Details for Spot Checks

Attachment B - Tracking Sheet of OIG Recommendations and Responses to last quarter

Attachment C - PowerPoint for April 2022 Construction Spot Checks

Prepared by: Prepared by: Suzanna Sterling, Construction Specialist Investigator, (213) 244-7368

Reviewed by: Karen Gorman, Inspector General, (213) 244-7337


Karen Gorman
Inspector General

Spot Check #1 – Crenshaw/LAX Transit Corridor Project - Contract C0988**Change Order Detail**

<u>Description of Modification MOD-0551</u> Landscape Changes – Park Mesa	
<u>Change Order Dates:</u>	
Scope of Work approved	February 02, 2022
Modification Executed	March 04, 2022
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process	23 workdays
Estimate using former Board approval process Agenda for the May Board	37 workdays
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	\$3,674,989
Contractor's proposed cost	\$5,711,786
Negotiated amount	\$3,636,214
Percentage of negotiated amount <i>under</i> ICE	-1.1%
Amount negotiated less than the Contractor's proposal	\$2,075,572

Spot Check #2 – Regional Connector Transit Corridor Project - Contract C0980**Change Order Detail**

<u>Description of Change Order MOD-0230</u> Alameda Emergency Stair Exit (ES2)	
<u>Change Order Dates:</u>	
Scope of Work approved	December 23, 2021
Modification Executed	February 17, 2022
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process	37 workdays
Estimate using former Board approval process Agenda for the March Board	61 workdays
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	\$2,147,299
Contractor's proposed cost	\$2,818,207
Negotiated amount	\$2,199,000
Percentage of negotiated amount <i>over</i> ICE	2.4%
Amount negotiated less than the Contractor's proposal	\$619,207

Spot Check #3 - Purple Line Extension Section 1 Transit Project - Contract C1045**Change Order Detail**

<u>Description of Modification MOD-0144</u> Constructing La Cienega Station During Mining	
<u>Change Order Dates:</u>	
Scope of Work approved	October 15, 2021
Modification Executed	December 22, 2021
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process	47 workdays
Estimate using former Board approval process Agenda for the January Board	70 workdays
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	14,059,279
Contractor's proposed cost	22,704,930
Negotiated amount	15,879,565
Percentage of negotiated amount over ICE	13%
Amount negotiated less than the Contractor's proposal	\$6,825,365

Spot Check# 4- Purple Line Extension Section 1 Transit Project - Contract C1045**Change Order Detail**

<u>Description of Modification – MOD-0147</u> Vapor Extraction Street Restoration	
<u>Change Order Dates:</u>	
Scope of Work approved	December 07,2021
Modification Executed	February 01, 2022
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process	38 workdays
Estimate using former Board approval process Agenda for the March Board	75 workdays
<u>Cost of Modification:</u>	
Metro independent cost estimate (ICE)	\$823,462
Contractor's proposed cost	\$1,253,078
Negotiated amount	\$1,087,452
Percentage of negotiated amount over ICE	32%
Amount negotiated under the Contractor's proposal	\$165,626

ATTACHMENT B (April 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
April 2022 #1 Contract C0988 MOD-0551 Crenshaw/LAX Transit Corridor Project Landscape Changes – Park Mesa	none		
April 2022 #2 Contract C0980 MOD-00230 Regional Connector - Transit Corridor Project Alameda Emergency Stair Exit (ES2)	The OIG recommends in-house plan review be as fully completed as possible before Metro groups sign off on the design plans.		
April 2022 #3 Contract C1045 MOD-0144 Purple Line Extension Sect. 1 Construction LaCienega Station During Mining	none		
April 2022 #4 Contract C1045 MOD-0147 Purple Line Extension Sect. 1 Vapor Extraction Street Restoration	none		

ATTACHMENT B (January 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
January 2022 #1 Contract C0980 MOD-00218 Regional Connector - Transit Corridor Project Metro Eastside Access Improvement Project "Segment 2" Esplanade and other improvements along Alameda Street – Construction Only	none		
January 2022 #2 Contract C1136 CO-00020.2 Division 20 Portal Widening and Turnback Project Differing Site Conditions - Connections to Existing Ductbanks and Unknown Utilities Impacts	The OIG recommends that Metro continue to track the time and materials used by the contractor while negotiating the Contractor's cost and schedule proposal and to bring this change order to a final award amount.	Final award amount for CO-00020.2 has been reached. Negotiations with the Contractor (TPC) consisted of multiple workshops to reach agreement on rates of production, activity duration, labor, materials and equipment required, complexity of the work. Since agreement on these items was challenging, Metro made a business decision to start with the contractor's estimate and deduct items that were not allowed in the contract. A final settlement for CO 20 was reached at \$43.3M, approximately \$10M under the contractor's original estimate. A time delay for changes related to CO 20 in the amount of \$6M, or 6 months at \$1M per month, has also been agreed upon for these changes.	Substantial Completion and commissioning of the turnback track is scheduled for late Fall of 2024 to coincide with Revenue Operations of PLE1. Final project completion could be as much as a year later.
January 2022 #3 Contract C1120 CO-00034 Purple Line Extension Sect. 2 Century City Constellation Station Storm Drain and Sanitary Sewer Relocation Construction of MOD 70 Design	none		
January 2022 #4 Contract C1152 MOD-0007 Purple Line Extension Sect. 3 Replacement Parking at VA Hospital Lot 42 During Station Construction	The OIG recommends that the Contractor be instructed to timely submit cost proposals, enter negotiations, and sign agreements before work is performed so Metro can process the work order close in time to work being performed, not only to pay the contractor but to help ensure the sub-contractors are paid timely.	No Comments	

ATTACHMENT B (October 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
October 2021 #1 Contract C0980 MOD-00206 Regional Connector - Transit Corridor Project Add Wye Junction Fan Plant - Construction	Since the Board approved of a budget for this item in 2015 at \$12 mil., the cost has increased to a total of \$21,186,000 (a 77% increase). This Fan System cost has been reported in pieces, as parts were completed, but not as a whole to indicate the cost creep overall over time. We recommend that when LOP information is being periodically provided to the Board that it includes a summary, per project, to show historical cost information over the life of each project. That summary should indicate if they anticipate completing the project within the current LOP and how many LOP increases have occurred so far.	The initial board item in 2015 for the fan plant was an ROM at the time and had yet to be fully designed and estimated for a complete change. As the project progressed the design and went into construction, the team worked through the negotiations for the full scope of the fan plant. As of now, there has only been one LOP increase and the project has anticipated that the project would fall within the LOP to date. Project team will work with Program Management leadership on how information is reported and follow Program Management's direction for any changes on how LOP is reported.	
October 2021 #2 Contract C1136 MOD-00020 Division 20 Portal Widening and Turnback Project Additional Scope and Additional Requirements for the Division 20 Portal Widening and Turnback Project	The OIG recommends: 1. When Metro needs to expedite a project, include Operations in the initial planning phase early, prior to and during design so they can provide constant input during the design. 2. Explore with Operations if they need additional resources to dedicate full time to assist in the intense design, planning, and implementation pre-opening phases of Metro's rail infrastructure/capital projects, or other ways in which Program Management and Operations can work together to approach these projects to maximize cooperation, communication, and assistance. 3. Have the Legal Department review our designer contracts to determine if they are adequate to hold contractors accountable, enforceable, and require use of bonds and proof of adequate insurance to cover errors of this type and resulting in cost of this magnitude.	1. Project alignments were revised during planning phase to accommodate additional storage capacity and technical requirements required for turnback headways. As design progressed, Operations participated in frequent design review meetings. 2. Additional Operations resources during design phases would be beneficial and help produce more comprehensive reviews. 3. Project team is coordinating with County Counsel on review of designer contracts.	
October 2021 #3 Contract C1045 MOD-0 137 Purple Line Extension Sect. 1 Increased Well Maintenance at Western Shaft due to Groundwater Chemistry Impacts	see #4 for recommendation		
October 2021 #4 Contract C1045 MOD-00138 Purple Line Extension Sect. 1 Additional Dewatering Treatment and Discharge Impacts at Western	The OIG recommends that all dewatering change orders for this project should be evaluated or audited. The Geotechnical Baseline Report issued by the consultant to Metro was not accurate for the soil type, ground water, and hydrogen sulfide levels for each segment of Purple Line Section 1 and the consultant might be held liable for some of the costs of differing site conditions not correctly determined by the consultant. Unplanned dewatering site conditions also cost Metro \$15.8 mil. at the La Brea Station and \$16.8 mil. at the La Cienega Station in 2020 and 2019 respectively.	The dewatering MODs for WPLE-1 have been already been evaluated as part of the CN process. In order to minimize the potential for future DSCs on other Projects, consideration should be undertaken to expend more resources during Preliminary Engineering (PE) to more accurately project the actual conditions encountered. The costs of additional PE should be weighed against the increased base bid prices, or future Change Order costs if no additional PE efforts are undertaken. Valid additional costs to Metro, via the base bid or Change Order, will be incurred either way. It is premature at this time to hold the PE Consultant liable for all or a portion of the costs of this MOD.	

ATTACHMENT B (July 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
July 2021 #1 Contract C0980 MOD-00196 Regional Connector - Transit Corridor Project Construct the 2nd & Broadway Station Overbuild Load Transfer System	none		
July 2021 #2 Contract C0980 MOD-00202 Regional Connector - Transit Corridor Project Revise Communications Radio System Scope of Work- Construction	The OIG recommends that after installation of the new radio system that interface with Los Angeles fire, police and sheriff departments be tested and verified for their signal strength and connectivity.	Agreed, all radio systems will be fully tested and verified for signal strength and connectivity	
July 2021 #3 Contract C1045 MOD-0131 Purple Line Extension Sect. 1 Wilshire/Fairfax Station Subgrade Differing Site Conditions	The OIG recommends that after a DRB issues its recommendations that favor the contractor, Metro act swiftly to move forward with a change notice to the contractor and not delay payment to the contractor, less any credits owed to Metro. We understand in this particular case the contractor assigned a lower priority for processing this change notice over many others.	In this case there was no requirement for Metro to issue a Change Notice due to the DRB ruling. The Contractor (STS) chose to delay providing Metro with a cost proposal associated with the DRB ruling due to other higher Contractor priorities. After the eventual receipt of the DRB ruling proposal from the Contractor, the costs were negotiated, and a MOD issued (w/o any Change Notice being created). It should be noted that whether a Change Notice is issued or not, the Contractor has the right to submit a proposal whenever and for whatever they perceive as changed work (via a Request for Change). Section 1 has and continues to issue Change Notices in a timely manner when Metro recognizes merited changed scope of work.	
July 2021 #4 Contract C1152 MOD-0014 Purple Line Extension Sect. 3 Revisions to Westwood/UCLA Station Entrances – Design Only	none		

ATTACHMENT B (April 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
April 2021 #1 Contract C0988 MOD-00253.3 Crenshaw/LAX Transit Corridor Project Landscape Changes – Park Mesa	The OIG recommends that we identify quickly the differences in cost between the new scope of work from the contract and finalize plans and the cost with the prime Contractor.	-Agree and recommendation will be incorporated into C/LAX Project Lessons Learned. -C0988 Contract Team has started to identify the differences in cost between the new scope of work from the contract. Additionally, new scope of work will only be processed if it is a safety related change.	
April 2021 #2 Contract C0980 MOD-00188 Regional Connector - Transit Corridor Project 2nd/Hope Pedestrian Bridge - Construction	no recommendation concerning this change order		
April 2021 #3 Contract C1120 MOD-0095 Purple Line Extension Sect. 2 Station and Bicycle Parking, Architectural Features Design and Construction Changes at Wilshire/Rodeo & Century City Constellation Stations	The OIG recommends that Purple Line, Section 3, be immediately evaluated to determine if the MRDC architectural updates and the Metro bike hub system changes have been incorporated into the Purple Line Extension Section 3 Transit project. This will ensure consistency, compliance with the MRDC, and cost assessments to be determined and negotiated at the earliest possible time.	Purple Line Sect #2 response: Noted. Purple Line Sect #3 response: The WPLE3 contract included the latest MRDC requirements for bike hubs at both stations at time of bid, which minimized changes to the WPLE3 contract.	
April 2021 #4 Contract C1120 MOD-0095 0100 Purple Line Extension Sect. 2 Century City Constellation Main Entrance - Construction	The large cost disparities between the ICE and a Contactor's proposal on high dollar transactions should continue to prompt further technical and commercial evaluation in order to arrive at a fair and reasonable price. The OIG recommends that the ICE be evaluated by the Estimating department to further evaluate the significant differences between the Contractor's proposal and their independent estimate utilizing both technical and commercial evaluation.	ESTIMATING response: Metro Estimating will review the ICE and CSP and work with V/CM and Project Management staff to evaluate the differences. Purple Line Sect #2 response: Project staff will continue to involve Estimating staff in scoping discussions to ensure that they have a full understanding of the scope of work for all Change Work.	

Office Of Inspector General Construction Change Order Spot Check Report

Presented By
Karen Gorman
Inspector General

April 2022

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Check 1

File #
2022-0145

1 - Crenshaw/LAX Transit Corridor Project

❖ Landscape Changes – Park Mesa

\$3,636,214

Work to be completed

- Add irrigation in the medians
- Landscape the medians with shrub and ground cover

No Recommendations

April 2022

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Check 2

File #
2022-0145

2 - Regional Connector Transit Corridor Project

❖ Alameda Emergency Stair Exit (ES2)

\$2,199,000

Work to be completed

- Excavate area down to track level
- Pour concrete walls
- Install emergency stairs to street level

Recommendation:

The OIG recommends in-house plan review be as fully completed as possible before Metro groups sign off on the design plans.

April 2022

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Check 3

File #
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3 - Change Order for Purple Line Section 1

❖ Constructing La Cienega Station During Mining
\$15,879,565

Work to be completed

- Re-sequence construction at La Cienega station box
- Build a false floor 22-feet inside the station box
- Erect upper walls
- Construct upper concourse
- Build upper ceiling

No Recommendations

April 2022

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Check 4

File #
2022-0145

4 - Change Order for Purple Line Section 1

❖ Vapor Extraction Street Restoration

\$1,087,452

Work to be completed

- Street rehabilitation along Wilshire Blvd.
- Asphalt replacement
- Median restoration
- Lane re-striping

No Recommendations

April 2022

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Check Schedule Comparison

File #
2022-0145

Schedule Comparison: new delegated process vs. former Board approval process

PROJECT	Title of Change Order	Time Saved Executed date to Board Mtg.	NEW Delegated Process final SOW to Executed date	Former Board Approval Process
CRENSHAW / LAX	Landscape Changes – Park Mesa	14	23	37
REGIONAL CONNECTOR	Alameda Emergency Stair Exit (ES2)	24	37	61
WESTSIDE PURPLE LINE SECT 1	Constructing La Cienega Station During Mining	23	47	70
WESTSIDE PURPLE LINE SECT 3	Vapor Extraction Street Restoration	37	38	75